

# All-State Medicaid and CHIP Call

## August 31, 2021



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# Agenda

- State Health Official (SHO) Letter: *Temporary Increases to FMAP Under Sections 9811, 9814, 9815, and 9821 of the ARP and Administrative Claiming for Vaccine Incentives*
- SHO Letter: *Medicaid and CHIP Coverage and Reimbursement of COVID-19 Testing under the American Rescue Plan Act of 2021 and Medicaid Coverage of Habilitation Services*
- Available Flexibilities and Funding Opportunities to Address COVID-19 Vaccine Hesitancy
- Open Mic Q and A

# American Rescue Plan (ARP) Section 9814: Temporary FMAP Increase for Expansion

- Provides a 5 percentage point increase to the FMAP of a state or territory that begins to cover the adult group authorized in section 1902(a)(10)(A)(i)(VIII) of the Act on or after March 11, 2021
- Increased FMAP applies for up to 8 quarters
- The statutory provision does not contain an expiration date
- The FMAP increase only applies to certain Medicaid expenditures covered under the state plan or waiver.
  - Adult Group expenditures matched at the “newly eligible” FMAP under section 1905(y) of the Act or the “expansion state” FMAP under section 1905(z) of the Act, are not eligible for the additional 5 percentage point FMAP increase.

# ARP Section 9814, Continued

- If all eligible states and territories qualified for the increased FMAP, CMS estimates the total increase in federal expenditures over 8 quarters to be approximately **\$15 billion**
- To arrive at this rough estimate:
  - CMS analyzed Form CMS-64 data to provide rough estimates of the magnitude of the impact of ARPA Section 9814, and are not formal agency projections.
  - CMS used actual expenditures from the first three calendar quarters of 2020 to create an 8-quarter projection, without applying a growth rate. CMS used expenditures that were eligible for the 6.2 percentage point increase under the FFCRA because, with the exception of DSH expenditures, the expenditure categories for the 5 percentage point FMAP increase align with the categories eligible for the 6.2 percentage point increase. CMS made adjustments to exclude DSH.
  - Note that states may report additional expenditures applicable to this period for up to two years after the date of original payment, and may increase or decrease reported expenditures through prior period adjustments. Please note the CMS 64 expenditures are reported based on date of payment.
- CMS [calculated preliminary estimates](#) of the increase in federal funds for 8 quarters for eligible states

# Section 9811 and 9821: Temporary Increased FMAP for COVID-10 Vaccine Administration

- Establishes a new mandatory Medicaid and CHIP benefit for COVID-19 vaccines and their administration.
- Nearly all Medicaid and CHIP beneficiaries must receive coverage of COVID-19 vaccines and their administration, without cost-sharing, including beneficiaries enrolled in most groups with limited benefits.
- The coverage requirements are temporary and applied beginning on March 11, 2021 and (generally) end on the last day of the first calendar quarter that begins one year after the last day of the COVID-19 emergency period.
- In addition, the provisions provide 100 percent FMAP and EFMAP for state expenditures for COVID-19 vaccines and their administration under Medicaid and CHIP.
- The increased FMAP and EFMAP applied beginning April 1, 2021 and will end on the last day of the first quarter that begins one year after the last day of the COVID-19 emergency period.

# Section 9815: Extension of 100% FMAP to Urban Indian Organizations and Native Hawaiian Health Care Systems

- Section 9815 of the ARP provides a temporary increase to 100 percent FMAP for Medicaid services received through certain Urban Indian Organizations (UIO) and certain Native Hawaiian health care entities, including Native Hawaiian Health Care Systems (NHHCS).
- CMS interprets section 9815 to apply 100 percent FMAP for expenditures for services received by **all** Medicaid beneficiaries through UIOs and NHHCS.
- The application of 100 percent FMAP to services received by American Indian and Alaska Native (AI/AN) beneficiaries through IHS and Tribal facilities remains unchanged; states must claim services received by non-AI/AN beneficiaries through these facilities at their regular, state-specific FMAP.
- Section 9815 is silent on payment rates to UIOs and NHHCS. CMS is available to provide technical assistance to states that believe adjusting their reimbursement rates for UIOs and NHHCSs is appropriate.

# **SHO Letter: Medicaid and CHIP Coverage of COVID-19 Testing**

# ARP Coverage Mandates

- Medicaid: Section 9811(a) adds a new mandatory testing benefit to section 1905(a)(4)(F) of the Social Security Act.
- CHIP: Section 9821 adds the same mandate to section 2103(c)(11)(B) of the Social Security Act.
- The mandates became effective on March 11, 2021, and end on the last day of the first calendar quarter that begins one year after the last day of the COVID-19 emergency period described in section 1135(g)(1)(B) of the Act.
- Individuals in the “optional COVID-19 testing group” are also covered by these mandates, but only until the last day of the emergency period.



# Coverage Mandates Explained

- States must cover, without cost sharing, both diagnostic and screening testing, as recommended by the Centers for Disease Control and Prevention (CDC).
- This includes coverage of screening testing required for return-to-school or return-to-work initiatives, and travel requirements.
- All FDA-approved testing must be covered, including “point of care” and “home” tests.
- An individualized test result must be obtained from the test.
- States may apply utilization control mechanisms to mandated tests, as long as Medicaid and CHIP program requirements are met, and arbitrary barriers to testing access do not result.

# State Plan Amendments (SPAs)

- Medicaid SPAs will be necessary to add coverage, cost sharing protections, and reimbursement provisions for mandated testing; these mandates apply beyond Disaster SPA timeframes.
- CHIP SPAs will also be necessary.
- CMS will be providing more information on SPA submissions, and remains available for technical assistance.

# Temporary Flexibility for Habilitation Services

- While many schools are returning to in-person learning, some locations will still be using hybrid learning approaches or continuing to rely on remote learning.
- During the COVID-19 public health emergency, the Medicaid program may reimburse habilitation services authorized under section 1915(c) and 1915(i) of the Social Security Act, normally the responsibility of the education system, if the following two conditions are met:
  - The habilitation services are not available via Local Education Agencies; and
  - The child is enrolled in a 1915(c) waiver and/or 1915(i) program.
- CMS is available for technical assistance to determine the appropriate vehicle for authorizing this temporary flexibility.

# Available Flexibilities and Funding Opportunities to Address COVID-19 Vaccine Hesitancy

1. Beneficiary Incentives
2. Provider Incentives
3. Managed Care Plan Performance Incentives
4. Rate Increases to Support Paid Time Off for Direct Service Professionals to Receive a COVID-19 Vaccination
5. Federal Match for Expanded Community Outreach
6. No Wrong Door Policy
7. Connecting Kids to Coverage National Back to School Campaign

# Increase Vaccine Uptake Among Medicaid and CHIP Beneficiaries

- As Medicaid and CHIP enrollment has grown to over 81 million individuals during the public health emergency (as of March 2021), **State Medicaid and CHIP programs play a significant role in the effort to vaccinate beneficiaries for COVID-19.**
- **State Medicaid and CHIP agencies are also critical to helping ensure that children and adolescents aged 12 and older have access to COVID-19 vaccinations as they return to school.**
- CMS has compiled a list of **flexibilities and funding opportunities to support state efforts to increase uptake of the COVID-19 vaccines** among Medicaid and CHIP beneficiaries.
- As the Delta variant spreads, **unvaccinated Medicaid and CHIP beneficiaries are at high risk of contracting and being hospitalized for COVID-19.**
- The strategies in this presentation are in response to state requests to **support further targeted outreach** efforts to promote vaccination among Medicaid beneficiaries.
- **CMS strongly encourages all states to adopt as many of the strategies outlined here as possible and is ready and available to partner with states.**
- This is not meant to be a comprehensive list of strategies. **If states have other ideas, CMS is available for technical assistance.**

# 1. Beneficiary Incentives (1/2)

Research shows incentives can be effective in promoting vaccinations. In a recent UCLA study, one-third of unvaccinated participants said a cash payment would make them more likely to get a shot.

**States can request federal administrative match for state-funded monetary incentives for Medicaid and CHIP beneficiaries, such as gift cards, to encourage the uptake of the COVID-19 and influenza vaccines. States can administer a beneficiary vaccine incentive program under FFS and/or managed care.**

- In Medicaid, states can request 50 percent federal financial participation (FFP) under section 1903(a)(7) of the Social Security Act and implementing regulations at 42 CFR 433.15(b)(7).
- In CHIP, states can request federal match at the applicable E-FMAP, subject to the 10 percent limit on administrative expenditures, under section 2105(a)(1)(D)(v) of the Social Security Act and implementing regulations at 42 CFR 457.618.
- Payments to managed care plans for these beneficiary vaccine incentive programs must be paid separately on an administrative cost basis, not included in risk-based managed care capitation rates.

# 1. Beneficiary Incentives (2/2)

## *Next Steps to Implement*

- **States must submit an amendment to their Public Assistance Cost Allocation Plan (PACAP)** to HHS and proposed administrative claiming methodology to CMS for review and approval.
- **States' proposals for vaccine incentives should include safeguards** to ensure that only beneficiaries who receive a vaccine (or their guardians) receive the beneficiary incentive. In addition, any claims for FFP must meet documentations requirements and are subject to audit.
- **Proposals will be reviewed for consistency with general principles on allowable administrative costs<sup>1</sup>** using our existing administrative claiming criteria, as well as federal cost allocation principles. For links to claiming criteria, see [Medicaid Administrative Claiming | Medicaid](#).

<sup>1</sup> [1994 CMS State Medicaid Director letter](#) outlines allowable administrative costs.

## 2. Provider Incentives

Providers are trusted sources of information and can help address vaccine hesitancy among their patients.

- **Federal match is available for state Medicaid programs for payment rates and methodologies designed or modified to incentivize providers** (e.g., pediatricians, primary care providers and hospitals) to furnish vaccines to beneficiaries, and thereby increase vaccination rates.
- Providers can be incentivized with bonus payments and performance targets to reach set COVID-19 vaccination targets.

### ***Next Steps to Implement***

- For managed care, states can utilize Medicaid managed care state directed payments under 42 CFR 438.6(c) to contractually require managed care plans to implement specific payment arrangements with network providers provided certain requirements are met.
- For fee-for-service payment increases, states should submit a state plan amendment including updated 4.19B pages.



# 3. Managed Care Plan Performance Incentives

70% of Medicaid beneficiaries are enrolled in comprehensive managed care. Managed care plans play a key role in educating enrollees and performing outreach.

- States could create a **pay-for-performance incentive arrangement** for Medicaid managed care plans subject to requirements in 42 CFR § 438.6(b)(2).
- This would include setting **performance-based targets or thresholds for Medicaid managed care plans based on enrollee vaccination rates**. For example, states could establish a performance-based bonus pool to provide incentive payments to top performing managed care plans in accordance with 42 CFR § 438.6(b)(2).

## *Next Steps to Implement*

- States should meet with managed care plans to develop and implement performance-based arrangements to increase vaccination rates.
- States would also need to revise managed care contracts and capitation rates, and submit to CMS for approval.

# 4. Offer Direct Service Professional(DSPs) Paid Time Off to Receive a COVID-19 Vaccine (1/2)

Many DSPs do not receive paid time off, which has been identified as a barrier to this population receiving the COVID-19 vaccine. DSPs may be more willing to get vaccinated if they can take paid time off of work to do it.

- States can use the 1915(c) Appendix K to implement **temporary rate increases that account for the extra time off** needed by DSPs to receive the COVID-19 vaccine.
- Temporary rate increases **can be retroactive and/or time-limited**. Note: Temporary changes authorized through an Appendix K cannot exceed six months after the end of the federal PHE for COVID-19.
- States can **require DSPs to document that they received the vaccine and/or have an appointment** for the vaccine in order to be eligible for the time off.
- To calculate increase, states can **adjust the Full Time Equivalent (FTE) factor** used in current rate models.
- More information can be found in the 6/29/21 [CMS All-State Slide Deck](#) on **Medicaid.gov**.

# 4. Offer Direct Service Professional(DSPs) Paid Time Off to Receive a COVID-19 Vaccine (2/2)

## *Next Steps to Implement*

States need to submit a 1915(c) Appendix K documenting the following in Section K-2-f:

- Percentage and purpose of the rate increase
- Factors/assumptions used to determine the amount of the increase
- Services/provider types affected
- Effective dates of the rate increase (if different from effective dates in Section K-1-f of Appendix K)
- Conditions DSPs must meet in order to receive the time off (if any) and conditions providers must meet in order to receive the rate increase (if any)

# 5. Federal Match for Expanded Community Outreach (1/2)

Community-based organizations, such as faith-based groups, social service programs, and schools, are trusted, effective sources of information. These groups have strong community roots and regular contact with vulnerable populations.

- States should **frequently review COVID-19 immunization messaging** to ensure it encompasses up to date vaccine information, and consider coordinating with local and state chapters of healthcare professional organizations, faith groups, community-based groups, tribes and tribal organizations, schools, and other groups that engage with beneficiaries to share up-to-date messaging
- **Federal administrative match is available for direct community outreach and engagement to Medicaid and CHIP enrollees** through Community Health Workers, peer workers, and other trusted local providers or community members.
- **Federal administrative match would also be available to develop and distribute literature and materials** to inform beneficiaries about the benefits and availability of COVID-19 vaccinations.
- This would include **a range of outreach modalities** to encourage, answer any questions, and correct misinformation.

# 5. Federal Match for Expanded Community Outreach (2/2)

- States may also receive federal administrative match to **coordinate provider trainings with enrolled Medicaid and CHIP providers** regarding the benefits of COVID-19 vaccination and how to assist beneficiaries in accessing vaccinations.
- For additional information, see [Medicaid Administrative Claiming | Medicaid](#).

## *Next Steps to Implement*

- If these activities are not specified in the state's administrative claiming plans, the state can submit a modification to the plan and request technical assistance as necessary.

# 6. Create a “No Wrong Door” for Beneficiaries Seeking Vaccine Information

A “No Wrong Door” policy creates a one-stop-shop for beneficiaries to seek vaccine information and plan for their vaccine appointment.

- Use Medicaid and CHIP administrative matching funds to **expand "no wrong door" options** for enrollees. For example, through one phone call, a beneficiary can make their vaccine appointment and arrange non-emergency medical transportation to the appointment.
- Activities also includes **educating call-line staff and updating public call-lines and websites** to increase promotion of COVID-19 vaccine and ensure access to transportation.

## *Next Steps to Implement*

- If these activities are not specified in the state's administrative claiming plans, the state can submit a modification to the plan and request technical assistance as necessary.

# 7. Join the Connecting Kids to Coverage National Back to School Campaign (1/2)

Back to school is a time when children often get routine check-ups and vaccinations for things like school, sports, and other activities. CMS will integrate COVID-19 vaccine messaging into its annual Connecting Kids to Coverage campaign.

- This year's **Back to School initiative will include COVID-19-related messaging** about the importance of catching up on missed childhood vaccines and administering the COVID-19 vaccine for the adolescent population.
- The campaign will **provide tools and resources for partners** to get the message out
- Activities and materials include:
  - **“Strategies to Help Kids Safely Return to School – Vaccinated and Ready to Learn” webinar** on June 3, 2021, which featured Dr. Shannon Stokely, Associate Director for Immunization Services Division, National Center for Immunization and Respiratory Diseases at the Centers for Disease Control and Prevention (CDC);
  - **“Campaign Notes” eNewsletter** amplifying the message and sharing resources with partner organizations;
  - **Additional vaccine resource content** to InsureKidsNow.gov that can direct stakeholders to CDC resources and wecandothis.gov;
  - **Social media content and graphics;** and
  - **Radio Media Tour**

# 7. Join the Connecting Kids to Coverage National Back to School Campaign (2/2)

## *Next Steps to Implement*

- [Go to InsureKidsNow.gov](https://insurekidsnow.gov) to sign up for email updates for the Connecting Kids to Coverage national campaign.
- [Download outreach guides and toolkits](#) to help communities organize and conduct successful outreach activities.
- Create opportunities for families to get their eligible children and teens signed up for coverage *and* get the COVID-19 vaccine.



# **CMS is Here to Support States in Their Vaccine Outreach Efforts**

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CMS is available for:

- Technical assistance
- Links to additional resources
- Other examples of successful state interventions
- Any other questions related to vaccine strategies for Medicaid and CHIP beneficiaries

# Questions

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